

## ETFS 3x Short USD Long GBP

### Investment Objective

ETFS 3x Short USD Long GBP (PUS3) is designed to track the MSFX<sup>SM</sup> Triple Short US Dollar/GBP Index (TR)

ETFS 3x Short USD Long GBP is an Exchange Traded Currency ("ETC") that can be created and redeemed on demand (by market makers). It trades on exchange just like an equity and its pricing and tracking operates similarly to an Exchange Traded Fund. Leveraged Currency ETCs are products that provide a cost efficient way of obtaining leveraged exposure. There is no scope for a contingent liability so the amount invested represents an maximum possible loss.

The ETC is backed by contracts (unfunded swaps) with a counterparty. Counterparty risk is minimised by way of daily mark-to-market payments, and cash is used to enter into daily repo transactions with the counterparty in exchange for eligible collateral. The eligible collateral is held by the collateral manager The Bank of New York Mellon in a custody account and valued daily. Details of the collateral held are available at: [www.etfsecurities.com/en/securities/etfs\\_collateral.asp](http://www.etfsecurities.com/en/securities/etfs_collateral.asp).

### About the Index

MSFX<sup>SM</sup> Triple Short US Dollar/GBP Index (TR) is a total return index. It provides three times short the daily percentage change to (i) movements in exchange rates between the local currency USD and GBP and (ii) local interest rates based on those implied in forward contract prices.

The Index also provides a Daily Collateral Yield. The index seeks to deliver this through replicating the performance of a fully collateralised position in currency forward contracts which are rolled on a daily basis.

The methodology which Morgan Stanley & Co Inc. uses in order to calculate the index is set out in the MSFX<sup>SM</sup> Indices Manual available at:

<http://www.morganstanley.com/institutional/research/msfx.html>.

Historical data are available on the website as well as on

Bloomberg: <ALLX> <MSCE> <GO>.

Product Information	
Product Name	ETFS 3x Short USD Long GBP
Issuer	ETFS Foreign Exchange Limited
Leveraged	-3x
Legal Form	Debt security
UCITS Eligible	Yes
Domicile	Jersey
Listing Date	8 November 2010
Base Currency	GBP
MER	0.98% p.a.
Replication	Swap backed
Collateralised	Yes
Counterparties	Morgan Stanley & Co. International plc
Trustee	The Law Debenture Trust Corporation p.l.c.
Collateral Manager	The Bank of New York Mellon
SIPP Eligible (UK)	Yes
ISA Eligible (UK)	Yes
UK Reporting Fund Status	Yes
EU Passport	Austria, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, United Kingdom

Index Information	
Index Name	MSFX <sup>SM</sup> Triple Short US Dollar/GBP Index (TR)
Index Provider	MSFX
Base Currency	GBP
Bloomberg Code	MSCEGUUS

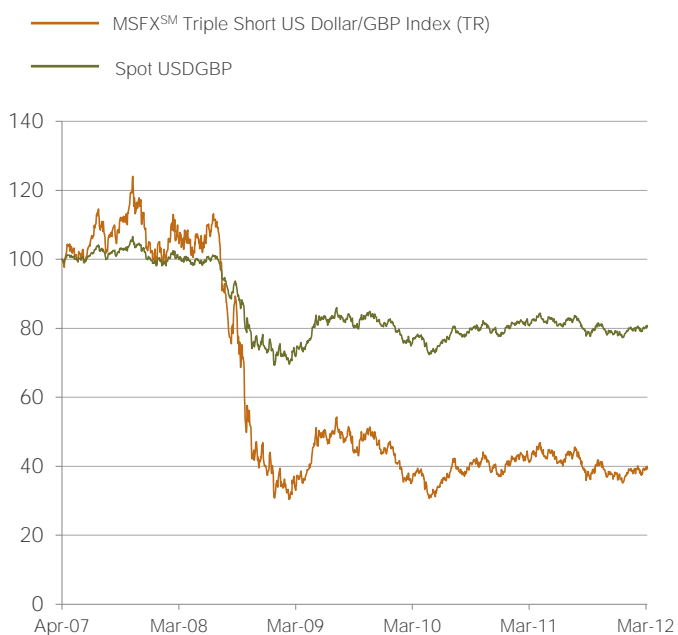
### Trading Information

Exchange	ISIN	Exchange Code	Currency (Trading)	Bloomberg Code	Reuters Code
London Stock Exchange	JE00B43NB445	PUS3	GBX	PUS3 LN	PUS3.L

## Simulated Historical Performances

MSFX<sup>SM</sup> Triple Short US Dollar/GBP Index (TR) and Spot USDGBP historical performance

Period Considered: 2 April 2007 to 30 March 2012



Index	YTD	3 Years	5 Years
MSFX <sup>SM</sup> Triple Short US Dollar/GBP Index (TR)	7.9%	17.3%	-60.0%
Spot USDGBP	3.2%	11.8%	-19.2%

The index performance shown here is the back tested performance of the corresponding MSFX<sup>SM</sup> Total Return Index and not the performance of the security. Please refer to the Historical Performance Disclaimer on the following page.

Source: Bloomberg, Morgan Stanley Research

## Risks of Leveraged Short Currency ETCs

Returns measured over periods longer than one day may differ from minus three times the underlying currency return over that period (even after adjusting by the interest rate components).

Daily performances are leveraged therefore any increase of the underlying currency relative to GBP are magnified.

If the underlying currency increases by 33% or more in one day relative to GBP, an investment in a Leveraged Short ETC will likely lose all of its value.

Leveraged Short ETCs are only suitable for investors who understand the risks and benefits of an leveraged inverse strategy.

Please see the Prospectus for a more complete list of risks.

## Important Information

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